

# FERGUSLIE PARK HOUSING ASSOCIATION LTD

## PROCUREMENT POLICY



**Ferguslie Park**  
Housing Association

Date Approved by the  
Management Board

12 December 2018

Signed:

Chairperson

Date of Next Review

DECEMBER 2020

## **1.0 POLICY PURPOSE**

- 1.1 The purpose of this Procurement Policy is to provide a clear guidance on the way in which Ferguslie Park Housing Association (FPHA) shall undertake and manage the procurement of services, supplies and works from external providers.
- 1.2 This policy is intended to ensure that procurement exercises completed by FPHA will meet current legislation and best practice including adopting the principles of equal opportunity, nondiscrimination, transparency and proportionality.
- 1.3 The policy will operate procedures and systems that enable probity, quality and value for money through the procurement process to be demonstrated.
- 1.4 FPHA will monitor and review procurement arrangements to ensure continuing high standards and value for money are achieved.
- 1.5 This policy will cover all external procurement across the FPHA Group.
- 1.6 FPHA will work in collaboration with other organisations where this would enhance the procurement process; provide value for money and the benefits received by the partners.
- 1.7 Most notably, FPHA will work with the iFlair network and other relevant national Frameworks such as Scottish Procurement Alliance (SPA) and Scotland Excel.

## **2.0 POLICY DEFINITION**

- 2.1 Procurement is defined as the process through which FPHA obtain supplies, services or works in relation to the management of our housing stock and associated support services.
- 2.2 In relation to public procurement regulations Public Contracts (Scotland) Regulations 2015, Procurement (Scotland) Regulations 2016, and this paper, the following definitions apply:
  - “Works” contracts relate to those where the outcome is a building or civil engineering project to fulfil an economic or technical function
  - “Supply” contracts are those that result in the purchase, lease, rental or hire purchase of products
  - “Service” contracts are those not covered by works or supply.
- 2.3 FPHA is a 'contracting authority' for the purposes of the public procurement regulations. The Regulations specify legal procedures which FPHA must follow when buying supplies services and works over certain estimated contract values.
- 2.4 Where a contracting authority has an anticipated annual spend of more than £5m on contracts regulated by the Act (regulated contracts); it is obliged to prepare and publish a procurement strategy. FPHA do not meet this threshold and therefore are not required to have a procurement strategy.

### 3.0 POLICY COMMITMENTS

3.1 By adhering to the following commitment FPHA intend to remain compliant in procurement and continually aim to introduce good practices.

- Undertake all procurement activity in a professional manner to meet the requirements of all relevant legislation and best practice.
- Establish robust Standing Orders and procedures for procurement which will set out delegated authority detailing the process of authorisation and certification of expenditure.
- Ensure probity, cost effectiveness, quality and value for money in relation to individual projects and their role in delivering the Association's wider objectives.
- Establish and maintain a buyer profile on the Public Contracts Website (PCW) established under the requirements of the Procurement Reform (Scotland) Act 2014; at the time of publication this is [www.publiccontractsscotland.gov.uk](http://www.publiccontractsscotland.gov.uk) (PCS).
- Prepare and report to the Board an annual procurement report (following the end of a financial year) that details the procurement activity undertaken in the previous financial year
- Prepare and publish guidance notes on how the FPHA Group will deliver their obligations in relation to
  - Sustainable procurement; and
  - Community benefit requirements
- Actively consider, where appropriate, options for joint working with similar organisations through establishing or joining framework agreements or other purchasing solutions.
- Maintain a register of contracts that will be reported to the Board
- Implement the electronic publication and receipt of all tenders by April 2019
- Prepare clear and concise briefs for projects that identify the specific project requirements, the identified procurement route and assessment criteria considering both the quality, cost and time elements.
- Tender and advertise all regulated activity in accordance with the matrix set out in Appendix 1
- Provide training for all staff involved in the procurement process.
- Ensure that the procurement policies and procedures are based on relevant information, knowledge of good practice and, where appropriate, benchmarking activities with other organisations and service providers.

- Following the conclusion of the procurement process FPHA will require a contract to be in place prior to any payment being made for works, supplies or services.

3.2 There are a number of key drivers influencing and shaping procurement for organisations like FPHA. These are in the main legislative but must also be driven by FPHA's need to remain viable and provide services which are affordable and cost effective to our customers.

3.3 To meet these standards FPHA will ensure that all staff with purchasing responsibilities understand their responsibility in applying the key principles of public procurement. This is in the delivery of value for money, appropriate quality and service to meet business needs and appropriate governance.

#### **4.0 POLICY REVIEW**

4.1 This policy should be reviewed within two years unless required earlier due to changes in the law, regulation, best practice or requirements of the Association.

Appendix 1 – Procurement Thresholds

| Estimated Value <sup>1</sup>   | Definition                   | Tender Process   | Tender Activity   | Minimum Advertising Requirements <sup>4</sup>                    | Guide Timescales |
|--------------------------------|------------------------------|--|---|--|------------------|
| £0 - £999                      | Works, Services and Supplies | Work may be authorised within individual officer limits and contractor may be directly engaged without any form of public procurement exercise.  | Ability to directly appoint a supplier.<br><br>Record on Contract Register  | Direct approach to suppliers                                     | 1-2 weeks        |
| £1,000 - £9,999                | Works, Services and Supplies | Quotation – minimum of 1 quotation to be received – with a direct appointment allowed subject to this being a one-off commission or purchase.<br><br>Where the commission may be envisaged as being an ongoing service, supply or work then 3 quotes should be obtained  | Ability to directly appoint a supplier following receipt of a quotation in writing.<br><br>Both routes subject to CEO approval<br><br>Record any appointment on Contract Register | Quick Quote to be used for 3 quotes where feasible and realistic | 1-2 weeks        |
| £10,000 – 24,999               | Works, Services and Supplies | Minimum of 3 competitive quotations to be invited using standardised documentation and processes (for example, a specification and return date to be sent to all contractors being asked to provide costs.<br><br>In most instances ITT document incorporating price/quality ratio and tender questionnaire document | Board approval for tender and acceptance.<br><br>Record any appointment on Contract Register  | On-line Quick Quote using the public contracts website           | 1-2 weeks        |
| £25,000 - £50,000 <sup>2</sup> | Services and Supplies        | Quick Quote using ITT document incorporating price/quality ratio and tender questionnaire document   | Board approval for tender and acceptance.   | On-line Quick Quote using the public contracts website           | Minimum 2 weeks  |

Appendix 1 – Procurement Thresholds

|   |                       |  |  |  |                 |
|---|-----------------------|--|--|--|-----------------|
| £25,000 -<br>£2,000,000 <sup>2</sup>    | Works                 | Quick Quote using ITT document incorporating price/quality ratio and tender questionnaire document | Record any appointment on Contract Register<br><br>Board approval for tender and acceptance.<br><br>Record any appointment on Contract Register                      | On-line Quick Quote using the public contracts website | Minimum 4 weeks |
| £50,000 -<br>£181,302                   | Services and Supplies | Formal Tender Process (Above £181,302 EU Level)  | Board approval for tender and acceptance.<br><br>Use of ESPD and ITT document incorporating price /quality ratio.<br><br>Record any appointment on Contract Register | To be advertised on the public contracts website       | 6-8 weeks       |
| £2,000,000 -<br>£4,551,413 <sup>3</sup> | Works                 | Formal Tender Process (Below £4,551,413 Scottish Level) (Above £4,551,413 EU Level)                | Board approval for tender and acceptance.<br><br>Use of ESPD and ITT document incorporating price /quality ratio.<br><br>Record any appointment on                   | To be advertised on the public contracts website       | 6-12 weeks      |

Appendix 1 – Procurement Thresholds

|                      |                       |                       |   |   |            |
|----------------------|-----------------------|-----------------------|---|---|------------|
| £181,302 and above   | Services and Supplies | Formal Tender Process | Contract Register   | To be advertised on the public contracts website and in the OJEU <sup>5</sup> | 4-6 months |
| £4,332,012 and above | Works                 | Formal Tender Process | Board approval for tender and acceptance.<br>Use of standard questionnaire and price framework<br>Record any appointment on Contract Register | To be advertised on the public contracts website and in the OJEU <sup>5</sup> | 4-6 months |

1. Should the value of a contract be near the maximum in any range then, unless there is confidence in the market and prices, the tender will be undertaken in accordance with the requirements of the next process up.
2. Upper thresholds defined in the Procurement Reform (Scotland) Bill and may be amended by the Scottish Parliament from time to time. Where the thresholds are amended by the Scottish Parliament the published thresholds will apply to this policy.
3. Upper thresholds defined in the Public Contracts (Scotland) Bill and may be amended by the Scottish Parliament from time to time based on thresholds set by the European Union. Where the thresholds are amended by the EU, the published thresholds will apply to this policy.

## Appendix 1 – Procurement Thresholds

4. The Public Contracts Website refers to the site established and maintained by the Scottish Ministers; currently this is [www.publiccontractsscotland.gov.uk](http://www.publiccontractsscotland.gov.uk).
5. OJEU; Official Journal of the European Union